

March 17, 2010

INSURANCE INFORMATION NOTICE NO. 2010—2

SUBJECT: PRIVATIZATION OF CLAIMS AND LOSS PREVENTION SERVICES

The Louisiana Office of Risk Management awarded the bid for the privatization of its loss prevention and claims services to FA Richard & Associates (FARA) on March 15, 2010. At this time, there is no change to ORM's policies, procedures and guidelines. ORM will keep its agency clients informed of any changes affecting how they interact with ORM or its vendor.

The anticipated date for FARA to begin taking control of the claims and loss prevention services is September 1, 2010. ORM will still be closely involved in the process and retains its statutory authority as the final arbiter for all decisions. The transition should be seamless with few changes in personnel and no significant change in operation. No interruptions of services (loss prevention audits, claims reporting and adjusting) are anticipated.

This endeavor presents a tremendous opportunity for ORM to enhance its performance in carrying out its mission of administering a comprehensive risk management program for the State.

Please contact Bud Thompson, State Risk Director at (225) 342-8500 for questions or further clarification.